

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 441, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, line 3, delete "An" and insert "As used in this section,
- 2 "exempt commercial policyholder" means an entity that:
- 3 (1) has purchased a policy through an insurance producer
- 4 licensed under IC 27-1-15.6; and
- 5 (2) meets any three (3) of the following criteria:
- 6 (A) Has a net worth of more than twenty-five million
- 7 dollars (\$25,000,000) at the time the policy is issued.
- 8 (B) Has a net revenue or sales of more than fifty million
- 9 dollars (\$50,000,000) in the preceding fiscal year.
- 10 (C) Has more than twenty-five (25) employees per
- 11 individual company or fifty (50) employees per holding
- 12 company aggregate at the time the policy is issued.
- 13 (D) Has aggregate annual commercial insurance
- 14 premiums, excluding professional liability insurance
- 15 premiums, of more than seventy-five thousand dollars
- 16 (\$75,000) in the preceding fiscal year.
- 17 (E) Is a nonprofit or public entity with an annual budget of
- 18 at least twenty-five million dollars (\$25,000,000) or assets
- 19 of at least twenty-five million dollars (\$25,000,000) in the
- 20 preceding fiscal year.
- 21 (F) Procures commercial insurance with the services of a

1 risk manager.

2 (b) As used in this section, "risk manager" means a person
3 qualified to assess an exempt commercial policyholder's insurance
4 needs and analyze and negotiate a policy on behalf of an exempt
5 commercial policyholder. A risk manager may be:

6 (1) a full-time employee of an exempt commercial
7 policyholder who is qualified through education and
8 experience or training and experience; or

9 (2) a person retained by an exempt commercial policyholder
10 who holds a professional designation relevant to the type of
11 insurance to be purchased by the exempt commercial
12 policyholder.

13 (c) The written or electronic notice required under subsection
14 (d) does not apply to:

15 (1) an increase to the premium charged for continuation of a
16 policy beyond the anniversary date of the policy or renewal of
17 a policy when:

18 (A) the insured is an exempt commercial policyholder; or

19 (B) the policy is an umbrella or excess policy; or

20 (2) a premium increase that results from a change that:

21 (A) is based on an action of the insured; and

22 (B) alters the nature or extent of the risk insured against;
23 including a change in the classification or the units of
24 exposure or increased policy coverage.

25 (d) Except as provided in subsection (c), an".

26 Page 1, line 4, delete "fourteen percent (14%)" and insert "**thirty**
27 **percent (30%)**".

28 Page 1, line 8, delete "provide" and insert "**send**".

29 Page 1, line 8, after "written" insert "**or electronic**".

30 Page 1, line 8, after "specifying" insert "**that there will be an**
31 **increase in**".

32 Page 1, line 11, delete "(b)" and insert "**(e)**".

33 Page 1, line 11, delete "(a) provides" and insert "**(d) sends to the**
34 **first named insured**".

35 Page 1, line 11, after "written" insert "**or electronic**".

36 Page 1, line 12, delete "(a) to an insured" and insert "**(d)**".

37 Page 1, line 13, delete "forty-four (44)" and insert "**twenty-nine**
38 **(29)**".

39 Page 1, line 15, delete "fourteen percent (14%)" and insert "**thirty**
40 **percent (30%)**".

41 Page 2, line 2, delete "(c)" and insert "**(f)**".

42 Page 2, line 2, delete "(a) provides" and insert "**(d) sends**".

- 1 Page 2, line 2, after "written" insert "**or electronic**".
- 2 Page 2, line 3, delete "(a)" and insert "**(d)**".
- 3 Page 2, line 3, delete "forty-five (45)" and insert "**thirty (30)**".
- 4 Page 2, line 4, delete "but more than fifteen (15) days".
- 5 Page 2, line 5, delete "shall not apply an increase" and insert "**may**
- 6 **apply the premium increase of more than thirty percent (30%),**
- 7 **effective thirty (30) days after the insurer sends the written or**
- 8 **electronic notice, to continued coverage under:**
- 9 (1) the policy beyond the anniversary date; or
- 10 (2) a renewal;
- 11 of the policy. The premium charged for coverage under the policy
- 12 during the period between the anniversary or renewal date and the
- 13 effective date of the premium increase shall be a pro rata premium
- 14 calculated using the same unadjusted rate and rating plan that
- 15 applied to the prior policy term.".
- 16 Page 2, delete lines 6 through 35.
(Reference is to SB 441 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 7, Nays 2.

Senator Paul, Chairperson